

**TOPIC OF DISCUSSION: 2012 BUDGET WORKSHOP**

Mayor Fatcher called the meeting to order.

Councilmembers in attendance were: Fatcher, Webb, Roberson, Schimmel, Myers, McDaniel, and Lefebvre (being sworn in tonight).

Finance Director Brian Butterfield gave a brief history of the 2011/2012 Budget. Over the last three years, the city has spent approximately \$1.5 million in reserve funds. Brian said that the current 2012 budget calls for the elimination of four positions in the police department. Lengthy discussion followed.

Mayor Fatcher said we have been optimistic about potential revenue in the last few years. He asked the Councilmembers if they are willing to make these cuts, spend down reserves, or some combination of cuts and reserve spending.

No decisions were made tonight. Mayor Fatcher said we have two months to decide what we are going to do with the Budget. He asked the Councilmembers and staff to come back with possible solutions.

Mayor Fatcher adjourned the special meeting at 6:45 p.m.

  
\_\_\_\_\_  
MAYOR

  
\_\_\_\_\_  
CITY CLERK

# City of Kelso



Finance & Utility Department 203 S Pacific, Suite 102 P.O. Box 819 360-423-0900 fax 360-425-9807  
Kelso, Washington 98626

---

September 6, 2011

To the Honorable David Fatcher, Mayor  
Members of the City Council  
Citizens of Kelso

## 2011/2012 Budget History

The proposed preliminary budget, as originally presented to the city manager, showed general fund deficits of approximately \$1,300,000 and \$1,200,000 in 2011 and 2012, respectively. The department heads were asked to cut expenditures from their departments by 20%. After several meetings with various department heads, the city manager, and guidance from the Mayor and Council, the 2011/2012 was adopted, without any major reserve draw downs for both 2011 and 2012. The original 2011/2012 anticipated spending reserves in the amount of \$60,855 and \$54,453 in 2011 and 2012, respectively. In addition, the city made the following adjustments to expenditures:

- Nuisance Abatement Officer position was eliminated through early retirement.
- Community Development Assistant position was eliminated (lay-off).
- Police Captain position was eliminated through early retirement.
- Two Patrol Officer positions were eliminated through early retirement.
- One Patrol Officer was transferred to a position that is funded 100% by criminal justice grants.
- Three Patrol Officer positions were eliminated through lay-off.\*
- One Police Records Officer position was eliminated through lay-off.\*
- Two Public Works positions were eliminated through early retirement (one in the street dept. and one in the traffic dept.).
- Park Dept. position was eliminated through attrition.
- Finance Dept. position was eliminated through attrition.
- Booking restrictions will be implemented to reduce jail and court costs by approximately \$200,000 annually
- No purchase of police vehicle in 2011

\*These positions were added back subsequent to the adoption of the budget.

In all, thirteen positions were eliminated: Five positions through lay-off, six positions through early retirement, and two positions will be left vacant.

Subsequent to adoption, the 2011/2012 Budget was amended to add back the four positions in the police department that were budgeted for lay-off. The net effect of this amendment increased the amounts required from reserves by \$118,000 for 2011 and \$410,000 for 2012.

**Fund Balances - General, Street, Library and Park Funds**

As of December 31, 2010, the City had the following amounts in reserves:

Fund	2010 Actual	2011 Estimated	2012 Estimated
General Fund	\$1,177,311	\$ 997,875	\$ 533,422
Street Fund	224,091*	224,091	224,091
Library Fund	59,140	59,140	59,140
Park Fund	23,263	23,263	23,263

\*\$140,000 is reserved for bridge maintenance.

It should be noted that as of December 31, 2010, there was \$724,469 in available fund balance should Council deem it necessary to spend down. These funds represent monies the City received from various sales of real estate.

The estimated fund balance amounts shown in the columns labeled 2011 and 2012 are based on the following assumptions:

- Current revenue and expenditure projections come in as projected 2011 and 2012
- No new development in South Kelso
- No additional amendments to the 2011/2012 Budget
- No COLA's for any City employee's in 2012

Respectfully Submitted,



Brian Butterfield  
Finance Director